



The Paperless SMSF Auditor



Today's Date

Trustee Name

Address 1

Address 2

Dear Trustee,

RE: Appointing Paperless SMSF Auditor

You have requested that we audit the financial report of Trustee SMSF for the year ending 30 June 20XX.

We hereby confirm our acceptance of this engagement by means of this letter. We will conduct our audit pursuant to Australian auditing standards, the Superannuation Industry (Supervision) Act 1993 (SIS Act) and Superannuation Industry (Supervision) Regulations 1994 (SIS Regulations) with the objective of expressing an opinion on the financial report.

Undertaking an SMSF audit requires there be a clear understanding of the responsibilities between the auditor and the trustee of the SMSF. The terms and conditions set out below detail of our understanding of this engagement and details of ours and your respective responsibilities. By signing and returning this document you are agreeing to all its terms and conditions.

Audit of accounts and statements

Section 35C of the SIS Act mandates that an SMSF auditor (approved auditor) must give the trustee a certificate on the accounts and statements in the approved form within the prescribed time after the year of income to which the accounts and statements relate.

The Paperless SMSF Auditor will conduct our audit in accordance with Australian auditing standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures will include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, as well as the evaluation of accounting policies and significant accounting estimates. All procedures will be undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian accounting standards and other mandatory professional reporting requirements.

Audit engagements are by necessity based on the requirement to form an opinion using judgment as well as the nature, timing and extent of the audit procedures for gathering of audit evidence and drawing conclusions from that evidence. There are inherent limitations in all audits, and these include the use of testing, the internal control structure, the possibility of collusion to commit fraud, and the fact that most audit evidence is persuasive rather than conclusive. As a result, it needs to be recognised that our audit can only provide reasonable not absolute assurance that the financial report is free of material misstatement.

At the Paperless SMSF Auditor we will, when possible, try and provide pointers and comments if we identify errors in financial statements or taxation returns that are nevertheless immaterial audit issues. These comments are outside of the main audit process and when made are done so solely to help add value to the SMSF audit process by creating an additional review point for your SMSF or SMSF clients. Unless otherwise specifically agreed with you, we assume no responsibility to conduct or design audit procedures to identify matters that may be appropriate to report to you. We will, however, if we encounter matters during the audit that we believe should be brought to your attention, communicate these to you.

The auditing process and the fees being paid by you to complete your audit cannot form the basis that we will, or are responsible, for uncovering all errors or misstatements. We remind you that it is the trustee's responsibility to maintain adequate accounting records and internal controls and it is the trustees who must safeguard the superannuation fund's assets.

Audit of compliance

We are required to form an opinion in respect of compliance with certain aspects of the SIS Act and SIS Regulations as follows:

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA.

Sections: 17A, 35A, 35B, 35C(2), 52(2)(d), 52(2)(e), 62, 65, 66, 67, 67A, 67B, 69-71E, 73-75, 80-85, 103, 104A, 109, 126K; and

SMSF Audit reporting - Significant matters

Under section 129 of the SIS Act we are required to report to you in writing if, during the course of or in connection with our audit, we become aware of any contravention of the SIS Act or SIS Regulations.

We are also required under section 130 to report to you if we form the view that the fund's financial position is or may be about to become unsatisfactory. Depending on circumstances and the trustees corrective measures we may be obliged to report the matter to the ATO.

SMSF auditors are also required to report to the ATO if they form the opinion that, in the course of their audit, a contravention of the SIS Act or SIS Regulations has or may occur that could affect the interests of the members.

Privacy and Quality review

We will not disclose any information given to us to other parties except as required or allowed for by law or professional standards, or with your express consent.

The documents you upload are held on a secure server located in Australia. The user name and password issued by us to you is stored confidentially by our office and you must do the same. www.cpasmsfauditor.com.au is secured by an SSL certificate and we undertake to ensure personal information uploaded is not misused or improperly accessed or disclosed.

The Paperless SMSF auditor is a member of CPA Australia and as such we are subject to review as part of the Quality Control Review Program of CPA Australia which monitors compliance with professional standards by its members. Our audit files may also be subject to review by the ATO and the Australian Securities and Investments Commission ("ASIC"). By signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under this program. Should such a request be made we will advise you.

Fees

Our fees are based on the comprehensiveness and care with which you upload documents required to complete your audit.

Auditing standards require we contact your current auditor. By signing this document you are authorising the Paperless SMSF Auditor to contact your previous auditor.

CONSENT STATEMENT

We consent to the terms of this engagement and have read all terms and conditions set out in this document.

By signing this document we agree with all statements included in it and consent to Robert Lopez CA "The Paperless SMSF Auditor" being appointed as auditor for the Trustee SMSF for the financial year ending 30 June 20XX

Agreed and acknowledged by:

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Trustee

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Trustee

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Date

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Date

Reference Copy Only